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RESERVE BANK

OF
NEW ZEALAND

WELLINGTON, N.Z.

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NOTE: Where figures are given to a certain degree of approximation the total shown may not be the same as the sum of the items.

The following symbols have been used throughout the "Bulletin":

.. = not available.

— = nil or less than half the unit employed.

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Full Employment of Economic Resources

I—WHAT DETERMINES OUR "STANDARD OF LIVING"?

(THIS IS THE FIRST OF A SERIES OF ARTICLES WHICH ATTEMPTS TO DESCRIBE THE FACTORS WHICH DETERMINE THE LEVEL OF PRODUCTION AND THE STANDARD OF LIVING OF NEW ZEALANDERS. IT WILL INCLUDE A DISCUSSION OF THE CONCEPT OF "FULL EMPLOYMENT" AND OF THE POLICY PROBLEMS INVOLVED IN TRYING TO ACHIEVE THE BEST POSSIBLE USE OF OUR ECONOMIC RESOURCES.)

IT IS SOMETIMES CLAIMED that New Zealand has the highest standard of living in the world. Others say that the United States is in the lead by a substantial margin. Statements of this kind are based partly on statistics, partly on observation and opinion. The following table illustrates the type of statistics usually quoted (figures published by the Economic and Social Council of United Nations):—

NATIONAL INCOME (1949) PER HEAD
(IN U.S. DOLLARS)

U.S.A.	1440	France	480
Canada	900	U.S.S.R.	310
Switzerland	850	Japan	100
Sweden	820	Ceylon	75
United Kingdom	775	India	54
New Zealand	750	Pakistan	50
Australia	700	Thailand	40

(Too great accuracy should not be attributed to these figures owing to the difficulties of measurement and the use of official exchange rates to convert local currencies into dollars—rates which do not necessarily reflect accurately the differences in the purchasing power of currency units.)

Expressed in more general terms, Asia has over half the world's population but only one-tenth of the world's national incomes; North America has less than 10 per cent of world population but nearly 45 per cent of world income. Little is to be gained by arguing the point about New Zealand's relative position, but there is value in considering the basis of a country's standard of living, and some causes of differences between countries. What is it which enables people in one country to enjoy a high level of incomes and consumption and forces people in another to be "poor"? What is it which causes standards of living to rise, and to rise faster in some countries than in others? If the answers to these questions can be found, publicised and applied to national policies, they will help to solve the problem of achieving real economic progress.

"The standard of living" is a vague concept. To some extent, however, it can be measured in terms of the physical volume of consumption and of production, as well as by national income per head of population. Discussion of the subject tends to concentrate on these aspects since they are obviously the most important part of our standard of living and are capable of being assessed statistically, an important consideration when it comes to formulating economic policies. There are however, other aspects of the standard of living which should not be overlooked, e.g., the equality or inequality of the distribution of incomes, both in monetary and real terms; and some factors not so capable of statistical evaluation, such as the opportunities for individuals to improve their standard of living, the degree of economic security, social amenities, the amount of leisure, freedom from

crime and corruption, political stability, efficiency of public administration, cultural attainments and so on. It is in some of these intangible things that New Zealand has advantages over other countries (and perhaps also some disadvantages); but for the purposes of this discussion we must ignore the subjective, unmeasurable aspects of the standard of living and concentrate on production and consumption per head. In this respect, New Zealand falls short of the achievements of North America.

Every country wants to raise its standard of living; that is a natural human objective, even for countries which are relatively well off already. Every country is to some extent "under-developed," including the United States. The world as a whole has large unused or inadequately-used resources, while at the same time there are hundreds of millions of people whose standard of living is far below a reasonable level and scarcely adequate for subsistence. The unsatisfied potential demand for goods is thus enormous; and as the poorest countries learn something of the possibilities of production, their dissatisfaction with low standards of living shows itself in an urge to increase production. They are learning that they can consume more only if they produce more—a fact which people in some more advanced countries are in danger of forgetting.

For short periods a country may consume more than it produces by reducing its stocks of goods—a process which can only be temporary, since stocks must be replaced sooner or later. It may also increase consumption temporarily by incurring a deficit in its external balance of payments on current account—an excess of payments over receipts of goods and services. If this deficit is financed by a reduction of monetary reserves, it can be allowed to continue only for a short time, since reserves have to be protected sooner or later, and built up again. If the deficit is financed by external borrowing the debt will have to be repaid eventually; but so long as a country is a net borrower there is an addition to the resources available to it.

Another way in which consumption may increase is through an improvement in the terms of trade. By this we mean a situation in which export prices rise more or fall less than import prices, so that a given volume of exports will permit the purchase of a greater volume of imports. In recent years terms of trade have fluctuated greatly, and this has been a major factor influencing the amount of resources available to countries whose external trade is large relative to their national income. (See "Bulletin" for October, 1952.) It may be that in the future the terms of trade will move in favour of countries producing primary commodities (and that includes New Zealand)—a point of view which is receiving increasing support.

In spite of these qualifications, it remains broadly true that a country can improve its standard of living

only by producing more goods and services. What then are the factors which determine the volume of production? They are:—

- (1) Natural resources;
- (2) Size of the labour force;
- (3) Quality of the labour force;
- (4) Capital equipment;
- (5) Motive power.

It is by increasing these resources, or by a more efficient use of them, that production can be increased.

Natural Resources

Nature has provided the physical materials needed by man but has distributed them unevenly around the world. Geographical and political boundaries divide up the world into areas which differ greatly in their natural wealth, some being much better endowed than others. The presence of large mineral deposits, or large areas of fertile land, or a favourable climate gives a country a "flying start" towards a high standard of living. But the resources still have to be exploited efficiently, and this is not always done. On the other hand, the absence of good natural resources does not necessarily mean a low standard of living. Some of the most prosperous communities in the world live in areas which (relative to population) are not well endowed by nature—e.g. Switzerland, Belgium, and even the United Kingdom. What has been lacking in the form of vast areas of agricultural land and mineral resources has been compensated for by concentrating on production for export of manufactured goods from raw materials mainly imported, with the population fed largely from imported food. For New Zealand, climate and soil—especially climate—are conducive to a high rate of farm production, but as far as is now known exploitable mineral resources are, except for coal and lime, almost non-existent. (Next month's article in this series will deal more fully with this topic).

Size of Labour Force

The wealth produced by a country has to be shared among the population, so that the relation of population to natural resources is an important factor. The "Malthusian devil" of a pressure of population on food resources has been held at bay in some countries by the improvement in techniques of production, but it is still possible for countries to be over-populated and the standard of living to suffer as a result. Nevertheless, it is broadly true that, given an adequate supply of other resources, an increase in the total labour force is a means to increasing production.

Another significant factor is the proportion of workers (meaning all occupied persons) to total population. In New Zealand, of a total population of just over two millions, the labour force numbers about 760,000 or 38 per cent. This means that each worker has to support an average of 2.6 persons; but in other countries, where the birth rate is higher, the average number of dependants may be greater and each worker must achieve greater productivity in order that he and his dependants may enjoy the same standard of living.

It is not enough, however, merely to count heads, and to avoid unemployment. The fact that a person is employed may be satisfactory in the sense that he is not unemployed and he must be doing something which someone wants him to do; but he may be occupied in work below his capacity, or on less productive work while more important jobs are held up by

shortage of labour. It is important, therefore, to ensure that the more essential industries have an adequate labour supply, by providing incentives which will increase the mobility of labour.

Quality of Labour Force

The importance of this factor hardly needs emphasis. It is not only a matter of trade training, but of training and efficiency at all levels—manual, scientific and financial skills, good management, research, common sense, imagination, and initiative. It is initiative, or enterprise, which is often the greatest lack. Without it the best-equipped factory or farm or business may lag in production. With it, the remaining factors of production are likely to be provided and stimulated. But enterprise needs incentives, and human nature is such that incentives have to be provided mainly by tangible rewards. This is equally true under state controls as under free enterprise.

Capital

It cannot be too firmly stated that the main factor making possible an expansion of production—and therefore an improvement in living standards—is the amount of physical capital (plant, machinery, equipment etc.) available per worker. This more than anything else is what has accounted for the rise in production since the industrial revolution, and the differences in living standards between countries. There are several ways of showing the wide disparities between countries—e.g. total outlay on physical capital per head, average horse-power of machinery per worker, or consumption of steel.

- (a) An Indian writer¹ recently calculated from official statistics that in 1950 the annual capital outlay per head of population was 34 times as great in the U.S.A. as it was in India; and in the United Kingdom it was 7 times as great.
- (b) The following table shows recent changes in steel consumption per head in several countries (in ingot lbs.):

	Average 1937-38	1951	Increase %
U.S.A.	641	1343	110
Canada	346	793	129
Sweden	482	715	48
Australia	428	643	50
U.K.	495	642	30
Italy	123	166	35

(Source: "Economist," 21st March, 1953.)

- (c) Another calculation² shows that industrial investment per worker in a group of "under-developed" countries in 1939 was on average only 11 per cent of that of a group of "developed" countries.

The amount of capital required in a modern developed economy is enormous. In the United States, an analysis of the accounts of 100 of the largest manufacturing corporations, as at the end of 1949, showed that plant and equipment (at cost less depreciation) was valued at \$5,400 per worker. In New Zealand, our factory statistics for 1950-51 show "land, buildings, plant and machinery" valued at £1,207 (\$3,380) per

¹ B. T. THAKUR "Economic Basis of Higher Standards of Living". Supplement to the United Commercial Bank Review, August, 1952, page 24.

² SEYMOUR E. HARRIS "Some Aspects of Foreign Aid and Development" (In *Economia Internazionale*, August, 1950, page 688.)

person employed. (These figures are indicative of the amount of capital required, but are not comparable.)

To expand production requires more and more capital; but it is not enough only to add to the country's capital assets. Existing assets must be maintained, repaired and replaced. This in itself requires substantial resources and appropriate financial and accounting measures. A country which wants economic progress must be "capital-conscious", and make adequate provision out of its own resources to increase its capital and maintain it in good working order.

Power

Machinery cannot work without motive power, and differences in living standards are closely correlated with differences in heat and motive power consumed per head, as shown in the following table (in milliards

of calories, for 1949):—

United States	34
United Kingdom	10
Belgium	8
France	5
Switzerland	3
Italy	1

(Source: "Economic Bulletin for Europe," April, 1952.)

Summary

The above brief outline indicates that a country wishing to improve its standard of living must not only keep its labour force occupied, but must see that it is occupied to the best advantage, and must provide it with adequate capital equipment and with incentives to produce more. There is no short cut to a higher standard of living.

Stabilisation of Farm Incomes

II — STABILITY OF EXPORT INCOME

THE FIRST ARTICLE IN THIS SERIES SUMMARISED NEW ZEALAND'S POSITION AS AN EXPORTER OF PRIMARY PRODUCTS AND DISCUSSED SOME OF THE EFFECTS OF CHANGING EXPORT PRICES ON THE DOMESTIC ECONOMY. THIS ARTICLE COVERS THE VARIOUS METHODS USED IN TRYING TO ACHIEVE SOME STABILITY IN PRICES OF EXPORTS.

Inter-war Period

In the years immediately following the first World War, market conditions were disturbed, and an impetus was thus given to the establishment of various bodies in New Zealand to exercise some control over the marketing of exports. The Wool Committee was set up in 1921 to control the quantities of wool offered for sale at auction, in collaboration with the British Australia Wool Realisation Association Ltd. ("Bawra"). This organisation had been formed to dispose in an orderly manner of the heavy stocks of wool accumulated in the United Kingdom during the war. The Wool Committee continued in existence until its functions were taken over by the Marketing Department in 1939 (see later).

The bodies set up to handle meat and dairy produce were granted more extensive functions than those given to the Wool Committee. The New Zealand Meat Producers Board set up in 1922 had powers "to act as agent for the producers of meat in respect of the preparation, storage and shipment of meat, and in respect of the disposal of such meat beyond New Zealand". The Board arranged all shipments of frozen meat from New Zealand and negotiated all contracts for the carriage by sea of this produce. Somewhat similar powers were given to the New Zealand Dairy Produce Control Board (now the New Zealand Dairy Board) set up in 1924. These arrangements were designed to achieve a certain degree of price stability by regulating the supply of produce reaching the market in the United Kingdom. In regulating shipments the exporting bodies in New Zealand considered such factors as the stock position in the United Kingdom, the time of arrival of produce from other exporting countries, seasonal demand in the United Kingdom, and local conditions affecting production or shipment of the produce. The Dairy Board also had authority to participate in the overseas marketing of dairy produce. It exercised this power only for a short time but continued its control over ship-

ments, advertising and insurance. These measures did help to reduce price fluctuations to some extent but they could not overcome the inherent instability of the general price level of primary products.

The depressions of the 1930's caused a sharp decline in world consumption of butter, cheese and meats in the face of increased output in producing countries. Duties and import restrictions were imposed in many importing countries and much of the produce normally sold in continental markets was diverted to the United Kingdom so that prices for New Zealand's produce were affected. Among the measures taken to meet this situation were the Ottawa agreements (see "Bulletin" for February, 1953) and the passing in New Zealand of the Agriculture (Emergency Powers) Act, 1934. This Act set up an Executive Commission of Agriculture with power to co-ordinate the work of the several Boards and other authorities exercising powers with respect to New Zealand primary products.

Up to this time the New Zealand Meat Producers Board and the New Zealand Dairy Board were still controlling shipments of produce to the overseas markets, but a new stage began in 1936 when a special department was set up under the Primary Products Marketing Act to be the Government's agent for the purchase of dairy produce for export. This step inaugurated the system of guaranteed prices to farmers (to be described next month) and was designed to protect producers from the effects of fluctuations in prices for dairy products.

War-time Agreements

On the outbreak of war in September, 1939 this department, which became known as the Marketing Department, took over from all the individual producer organisations responsibility for the overseas marketing of all major primary products. Arrangements were made between the New Zealand Government and the United Kingdom Government, whereby the latter undertook to purchase agreed quantities of New Zealand butter, cheese and frozen meats from

the production of the seasons ending July and September, 1940 respectively. Provision was made for further quantities to be taken if shipping was available. It was also arranged that the United Kingdom should purchase the entire New Zealand wool clip and stock of woolly sheepskins for the period of the war and for one season thereafter. An overall purchase price for the entire clip was agreed upon and on this basis a schedule of values for the numerous grades of wool was drawn up. The wool was graded by official appraisers and payment to growers was made according to the values fixed in the schedule. Subsequent contracts for meat and dairy produce were completed on a season-to-season basis both as regards quantities and prices. Provision was made for New Zealand to sell small quantities of meat and dairy produce in markets outside the United Kingdom. During the course of the war, contracts covering tallow, dried milk and other minor export products were negotiated.

In 1944 long-term contracts were completed between the Governments of the United Kingdom and New Zealand for the bulk-purchase of meat, cheese, butter and some milk products for the four seasons 1944-45 to 1947-48. Prices were fixed for the first two seasons with provision for review in subsequent years. In 1946 the period of both the meat and butter and cheese contracts was extended to the end of the 1949-50 seasons. Price increases under both contracts were arranged in each of the seasons 1946-47 and 1947-48. These contracts also provided for the setting aside of limited quantities of produce for sale to outside markets. In the meantime the war had finished so that the 1945-46 season saw the conclusion of the contract covering wool and woolly sheepskins with a return to normal auction procedure in the following season. Contracts for tallow were still negotiated annually.

The United Kingdom-Dominions Wool Disposal Limited (known as the "Joint Organisation") was set up in 1945 to market the heavy accumulations of Australian, South African and New Zealand wool which had been purchased by the United Kingdom under the appraisal system. The Organisation purchased the accumulated stocks and marketed the wool along with each season's new clip with a view to preventing the severe fall in prices which might have occurred if all the stocks had been released at once. A reserve price system was operated by the Joint Organisation for all greasy wool, whereby any lots which failed to reach a fixed reserve price at auction were taken over by the Organisation for subsequent resale. In practice the world demand for wool was such that the stocks were disposed of at good prices much faster than had been expected, and the Joint Organisation ceased operations in June, 1951.

Post-war Developments

Thus in the immediate post-war period, prices for the main items of New Zealand's export produce were either fixed by contract as in the case of meat, dairy produce and tallow, or were subject to a reserve price system as for greasy wool. Furthermore the protection offered under these schemes was assured at least until 1950 in the case of meat, butter and cheese, and in the case of wool until the heavy stocks held by the Joint Organisation were disposed of. There was at this time a widespread belief that a period of slump like that which followed the 1914-18 war would occur, and therefore New Zealand was, on the whole, favourably disposed towards a continuation of the contract system.

In 1948 the periods of the meat, butter and cheese contracts were extended to the end of the 1955 seasons.

In 1947 the handling of dairy produce for export was entrusted to the New Zealand Dairy Products Marketing Commission, a special body with Government and producer representation; in 1948 the New Zealand Meat Producers Board, acting as agent for the New Zealand Government became responsible for the export of meat.

The present contract for butter and cheese provides *inter alia* for a $7\frac{1}{2}$ per cent limit on the amount of price variation between one season and the next, and the price increases for butter which have occurred in each season since 1948-49 have been restricted to this limit. In the case of cheese the increases have been below the $7\frac{1}{2}$ per cent maximum except in 1952-53 when a 9 per cent increase was granted. Under the present contract New Zealand is committed to sending not less than $87\frac{1}{2}$ per cent of her exportable surplus of butter and not less than 90 per cent of her exportable surplus of cheese to the United Kingdom. Annual discussions are held in London on the prices for the ensuing season and quantities available for sale to other markets.

The agreement covering meat is somewhat similar and covers the exportable surplus of most types of meat. The price increases granted in each season since 1949-50 have been above the $7\frac{1}{2}$ per cent limitation specified in the original agreement. At the 1952 negotiations this limitation was raised to 10 per cent with the proviso that if proved costs of production moved by more than 10 per cent, the limitation would not apply and prices might move to the same extent as costs have altered. Early in 1952, the British Ministry of Food gave an assurance that the United Kingdom would take New Zealand's exportable surplus of meat for the next 15 years. This assurance is not a part of the existing bulk-purchase agreement.

Limited quantities of milk powders are sold under bulk-purchase contracts which continue until 1955. There are also some private contracts with manufacturers in the United States and the United Kingdom for supplies of casein. The bulk-purchase contract for tallow which had been negotiated annually since 1939-40 was not renewed at the close of the 1951-52 season.

A certain degree of stability for wool prices is provided by the activities of the New Zealand Wool Commission, set up in 1951 in place of the New Zealand Wool Disposal Commission (a branch of the "Joint Organisation"). Most New Zealand wool is sold at auction either in the United Kingdom or New Zealand and at these auctions the Commission operates a minimum price plan for all types of New Zealand wool. For the purpose of the scheme, the Commission has prepared a table of minimum values for the various classes of wool, and prior to each auction its representatives assess the minimum value of each lot in accordance with the table. The Commission may participate in the bidding at auction and, in the case of wool not reaching the minimum price, it may either supplement the sale price from its own funds to bring it to the minimum, or it may take up the wool itself at a price not exceeding the minimum. The effect of this is that the wool grower is assured of obtaining at least the minimum price for his wool, and yet receives the full benefit if prices are above this minimum.

Future of Bulk Purchase

Much discussion is taking place on the pros and cons of bulk-purchase contracts. The present contracts covering meat and dairy produce expire at the close of the 1954-55 seasons. Discussions are to be held between the two Governments to consider arrangements after that time; in the case of meat these are to take place before 31st July, 1953. No date has been fixed for discussions on the future of the contracts for butter, cheese and milk powders. Although the date for discussion on the future of the long-term meat contract is stipulated, the heads of agreement do not provide for any decision by that date.

The following are some of the advantages and disadvantages of long-term contracts which have been mentioned from time to time:—

Advantages

(a) To the United Kingdom.

Security of supply at a time when there are world shortages, and relative stability of price over a period. By offering producing countries a steady price for their produce, the United Kingdom hopes to preserve a steady flow of imports, and to encourage New Zealand producers to increase their output. Thus trade will be increased and British as well as New Zealand producers will benefit.

(b) To New Zealand.

An assured market for the major export items, in respect of both quantity and price. It is argued that this should encourage the expansion of production by permitting land development plans to be put into operation with the assurance that extra output will be sold at favourable prices.

From the national point of view the comparatively steady export income is important because it helps to stabilise National Income, thus making easier the operation of policies designed to achieve economic stability.

Disadvantages

Those who oppose the principle of long-term contracts usually put forward the following arguments:—

1. Where there is direct or indirect Government participation, negotiations on the contracts may not be entirely free from political influences.
2. Government trading is conducted differently from private trading. Private traders are apt to have more regard to the demand for their produce and try to sell in the most profitable market. The present contracts tend to prevent the full development of outside markets, and even hinder the development of the United Kingdom market.
3. The anticipated post-war depression did not eventuate. World prices for all products sold

under contract have risen steadily and the protection given to New Zealand by the limitation on price changes downwards has thus been of no practical benefit. In spite of price increases for meat granted in excess of the agreed limitation, contract prices are below world parity prices. The long-term prospects are for the terms of trade to move in favour of primary producers. Several reasons are given in support of this argument:—

- (a) Rising world population.
- (b) Improved living standards, full employment policies, and economic development programmes in most countries.
- (c) Limited areas of suitable land left for bringing into farm production.

These considerations suggest a continuing strong demand for primary products relative to supply, and therefore it is considered desirable that New Zealand should develop farm lands to the fullest possible extent and remain free to derive full benefit from favourable market conditions in future. Better returns for produce now exported could help provide the finance for such development and stimulate production.

4. The feeling that their produce is not earning all it could earn acts as a disincentive to producers. An assured price does not always stimulate greater production.
5. The United Kingdom market does not provide complete security. At present she is seeking food supplies from a number of sources and at the same time is encouraging home producers. There is no certainty that New Zealand will always be able to sell the bulk of her exports in the United Kingdom. Even under the bulk-purchase contracts, prices could, in the face of a world surplus, be reduced by more than the limit imposed by the agreements. The limitation has been exceeded in response to claims for higher prices by New Zealand—the reverse could also apply.

The points made here are only some of those to be considered in reviewing the long-term contracts. The arguments raised on both sides involve a certain amount of speculation about future world supply and demand for the products which New Zealand exports. Prospects for the immediate future depend to a large extent however, on the attitude of the present United Kingdom Government to state trading, rationing and subsidies since it would be difficult for the Ministry of Food to restore trade in meat and dairy produce to private hands so long as rationing and subsidies are applied to them.

Export-Import Bank

DURING THE 1920's AND EARLY 1930's there was in the United States a demand for organizations that would assist large-scale financing of United States foreign trade. Means were sought whereby long and medium-term foreign obligations could be guaranteed and bills with distant maturities could be discounted. At that period, the American banks were either unequipped or reluctant to provide these facilities. Two attempts, one in 1921 and another in 1928, to set up special organizations for the purpose proved abortive.

In February, 1934, there was announced from Washington the setting up of a bank entitled the Export-Import Bank. Its specific aim was to finance trade with the Soviet Union. The new bank, however, never became active, and in 1935 it was merged with a second Export-Import Bank which had meanwhile been set up to extend credit to countries other than the U.S.S.R. Thereafter the activities of the Bank rapidly expanded. It was successively attached to the Reconstruction Finance Corporation, the Federal Loan

Agency, the Department of Commerce, the Office of Economic Warfare, and the Foreign Economic Administration until, in 1945, it was reconstituted under the Export-Import Bank Act. It was named the "Export-Import Bank of Washington" and became an independent agency of the United States Government. Its objects were "to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals thereof."

The control of the Bank is vested in a Board of Directors consisting of the Administrator of the Foreign Economic Administration who is chairman, the Secretary of State, *ex officio*, and three other members appointed by the President of the United States by and with the advice and consent of the Senate. On all major matters of policy this board is directed to consult with an Advisory Board whose membership is identical with the National Advisory Council on International Monetary and Financial Problems, established under the Bretton Woods Agreement Act, 1945, to co-ordinate United States policy in respect of the International Monetary Fund, International Bank for Reconstruction and Development and the Export-Import Bank.

Under its 1945 Act, the Export-Import Bank of Washington has a capital stock of \$1 billion subscribed by the United States Government. It can borrow from the United States Treasury up to \$3.5 billion, and can make loans and guarantees to the extent that not more than \$4.5 billion of such is outstanding at any one time. (Before October, 1951, the lending authority of the Bank was limited to \$3.5 billion outstanding at any one time, but Congress increased this limit to enable the Bank to make new loan commitments for production of strategic materials and for essential economic development abroad.) The Bank is empowered to do all banking business except that of note circulation.

By the provisions of the Foreign Assistance Act of 1948, as amended, and continuing under the Mutual Security Act of 1951, the Bank is authorized to make available and administer credit on terms specified by the Administrator for Economic Co-operation. Under an executive order issued in August, 1951, the Bank is empowered to make loans for the production abroad of essential materials with which there are associated risks that would normally preclude assistance by the Bank under its own Act.

Although making a profit is not a major objective of the Export-Import Bank, it is nevertheless the policy of the Bank's management not only to meet out of earnings all expenses, including the interest on borrowed funds, but also to accumulate a reasonable reserve against possible future losses and thus keep the institution on a self-sustaining basis.

Participation of private capital in connection with the Bank can take place in several ways. The Bank frequently requires that foreign borrowers must finance a portion of the transaction with their own

dollar funds and usually requires that exporters carry a portion of the credit at their own risk. Where loans are for private concerns, it is usual for the borrower's government to guarantee the loan.

The following conditions are usually attached to Export-Import Bank loans:—

- (1) They must be for the purchase of United States equipment, produce or services;
- (2) The goods must, if possible, be transported in United States ships.
- (3) The loans must be made for specific projects;
- (4) The loans should be self-liquidating (i.e. the loan should be repaid from the profits of the enterprise being financed);
- (5) The project should contribute to the borrowing country's foreign exchange earnings;
- (6) The loans should not be such as could be raised from private sources.

From the Bank's inception in 1934 to 30th June, 1952, \$5.6 billions of credits had been authorised, of which \$3.6 billions had been disbursed and \$1.2 billions repaid. Commonwealth countries which have received loans include the United Kingdom \$22.5 million, Canada \$370.7 million, Australia \$1.4 million and South Africa \$35.1 million. Of the loans outstanding on the books of the Bank at 30th April, 1952, interest rates thereon ranged between 2½ per cent and 5 per cent, with the usual rate at 3½ or 4 per cent. The rate of interest charged is determined by several factors including the term of the loan, the nature of the commodity, or purpose of the undertaking being financed and the financial status of the borrower. Loans are generally repaid by instalment and the period for repayment may be up to 30 years. However, the longest term so far has been 25 years, whilst the majority of loans have been repayable over periods of less than 10 years.

Some examples of authorised credits made by the Bank illustrate the nature of the lending operations of the institution. On the 26th July, 1951, a credit of \$2.65 million was authorised for the purpose of a forest development programme in Indonesia. The amount is available at a rate of 3½ per cent and the repayments are to be made semi-annually from 1st March, 1956 to September, 1970.

A loan of \$141,600 was authorised in November, 1948, to a Uruguayan paper making company for whom the Banco de la Republica acted as guarantor. The loan was for the purchase of paper making machinery and equipment manufactured by a company in the United States. The rate of interest was 4 per cent and the credit was to be repaid in 6 half-yearly instalments commencing 30th June, 1949.

In 1951 and 1952 several South African mining companies received credit authorisations amounting to \$35.1 million at a rate of 4 per cent repayable over a period of 10 years. The purpose of the loans was for the purchase of mining equipment, materials and services. In this instance there was no guarantor.

Statistics of Distribution

THE GOVERNMENT HAS AUTHORISED the Census and Statistics Department to carry out this year its first census of distribution. Preparations for the census are

now well in hand, and questionnaires will soon be dispatched to retail and wholesale firms. Traders will be asked to record their sales for the past year, their

stocks at the end of the period, the number of their employees, wages paid, the nature of their business and other details. When the completed forms have been tabulated, a wealth of data on the distributive sector of the New Zealand economy will be revealed.

These statistics will be extremely important to firms engaged in the distribution of goods. Their efforts can be directed more efficiently if the channels of distribution are better known. The statistics can be widely used by advertising and marketing research firms in furnishing market reports to their clients, and are of basic importance in the solution of various management problems within individual firms.

The census of distribution will analyse sales by various categories of goods, thus enabling a trading concern to calculate its approximate share of existing markets and to estimate within certain limits the value of its merchandise likely to be purchased by consumers within a given period. This problem of budgeting for future sales, if it can be successfully overcome, will lead to less waste in the productive process. Especially when the production period is long and roundabout, there is a great need for the best possible forecasts. There is a penalty—to the community as well as to the business—if wrong forecasts are made through insufficient information being available.

Another problem on which the census of distribution will throw much light is the calculation of regional, as distinct from total, sales potentials, for individual companies. Most firms find it desirable to divide estimates of total demand into various regions and to set sales quotas for various parts of the organisation. Sales managers should know not only the absolute amount of their products a territory should take, but also the amount relative to other regions. Selling effort can be re-directed if it is known that without good reason sales ratios in some territories are lower than in others. This avoids the overworking of some markets to the neglect of others.

The census will provide useful data by making it possible for retailers and wholesalers to appraise the standard of performance of their own firms compared with all firms in the same business. A retailer may find, for example, that sales per employee are higher in

competing shops, while information on stocks and credit sales may suggest that changes should be made in these features of the company's policy. Any increase in productivity or avoidance of waste in the operations of the thousands of shops in New Zealand represents a gain to the community as well as to the individual firms, and the census will be invaluable in inducing these results.

In defining the structure of the distributive trades, the census will be an aid to management in a variety of ways. It will also form the framework of a sample survey of sales and stocks to be conducted each month. This will be on lines similar to the scheme which the Reserve Bank operates at present in the Wellington area, but will have a more comprehensive coverage, as well as being on a national basis. Retail sales and stocks figures will be made available at regular monthly intervals, thus providing a picture of changes in business conditions throughout the country.

When the census has been completed and the monthly sample survey has been instituted, the economy will be much better provided with indicators of activity. So far censuses of production only are taken each year and a census of distribution even at five-yearly intervals will fill a great gap in existing knowledge. The maintenance of high output and full (as distinct from over-full) employment involves policy decisions which can be correctly made only on a basis of facts. Reports founded on hearsay or on information that is out of date or inadequate are not conducive to flexibility and wisdom in monetary and economic policy. For example, import requirements in the months ahead can be assessed more accurately if the value of stocks held within New Zealand is known. This figure is believed to vary by tens of millions of pounds but little is known of the changes at the time they occur. Also the rate at which stocks are being used gives some indication of the volume of orders likely to be placed with local factories and overseas suppliers.

The increasing complexity of the economy requires that no major avenues of activity pass unrecorded, and statistics of distribution will be an important contribution to this end.

Shorter Notes

Board of Directors

By Order-in-Council dated 8th April, 1953, Mr. W. N. Perry, a former president of Federated Farmers, Mr. S. M. Hobbs, retired public accountant, and Mr. T. P. Hanna, hitherto Chief Cashier to the Reserve Bank, were appointed to the Board of Directors in accordance with section 7 of the Reserve Bank of New Zealand Amendment Act, 1936. This brought the numerical strength of the Board up to nine, leaving one vacancy.

Mr. Gilbert Wilson has been appointed Chief Cashier to replace Mr. Hanna.

Pulp and Paper Project

Construction of the Tasman Pulp and Paper Company's mills at Onepu, near Whakatane in the Bay of Plenty, will commence in September, 1953, and the plant is expected to be in production on a commercial scale by October or November, 1955. The plant will be capable of producing annually 75,000

tons of newsprint, 72 million board feet of sawn timber (on a two-shift basis), and 36,000 tons of kraft pulp. The original plan to site the mills at Murupara has been revised, although Murupara will still remain the centre of logging operations.

Although the main portion of overseas borrowing in connection with the enterprise will be made in the United Kingdom, the Government has applied for a loan from the Export-Import Bank to finance imports of essential equipment from the dollar area. It is possible that technical advisers from the Bank will investigate the project in New Zealand before arrangements for the loan are completed.

The new town in the vicinity of the mill will initially provide for a population of 3,000-3,500 and later development will cater for a population of 6,000. Plans will be drawn up by the Ministry of Works, but the town will not constitute a State Housing settlement, in that State houses will be dispersed among private properties.

I—RESERVE BANK OF NEW ZEALAND

Liabilities and Assets

(£N.Z. thousands)

Average of Weekly Figures:	LIABILITIES				ASSETS								Other Advances and Discounts	Other Assets*
	Bank Notes	Demand Liabilities			Reserve			Investments		Advances to State				
		State	Banks	Other	Gold	Sterling Exchange	Other* Exchange	Over-seas	In N.Z.	Market'g Orgns.	Other			
1946	45,169	17,302	59,731	524	2,802	81,332	—	4,124	1,867	961	35,127	—	1,396	
1947	47,682	13,265	57,102	483	2,802	85,300	—	3,826	749	1,157	28,510	5	1,046	
1948*	48,930	13,228	57,706	380	2,802	65,090	—	5,704	4,792	1,698	35,182	2,437	7,549	
1949	51,312	11,384	73,837	355	3,223	48,995	—	7,121	34,734	3,482	37,628	4,907	1,973	
1950	55,126	15,446	74,239	1,232+	4,269	51,319	256	4,463	26,850	5,096	52,245	5,378	2,277	
1951	60,361	18,844	69,326	4,929+	5,139	62,557	383	9,988	17,119	3,379	51,134	6,829	3,224	
1952	62,252	14,962	48,557	490+	5,856	23,416	1,235	30,244	11,325	2,290	50,795	6,125	1,761	
Last Wednesday in Month:														
1952—Mar.	62,205	33,605	24,643	604	5,714	21,756	510	32,140	2,042	6,321	50,000	6,019	3,215	
Apr.	62,600	22,235	33,210	529	5,749	23,019	406	32,140	42	5,985	50,000	6,019	2,416	
May	61,876	15,433	41,098	489	5,873	24,818	646	32,140	42	4,701	50,000	6,019	2,057	
June	61,225	11,530	44,426	429	5,913	20,741	1,703	32,140	42	4,812	50,000	6,019	3,683	
July	60,374	6,794	44,370	520	5,955	18,842	1,877	32,140	42	3,007	50,066	6,019	420	
Aug.	59,568	7,436	50,299	830	5,996	20,884	2,272	32,140	4,042	1,744	50,973	6,019	612	
Sept.	59,331	6,231	56,029	445	6,008	17,842	2,321	32,140	8,042	764	54,691	6,019	882	
Oct.	60,484	10,159	63,187	322	6,009	31,992	1,376	22,090	20,042	745	51,512	6,019	1,058	
Nov.	62,038	7,988	68,452	216	6,012	32,157	963	22,090	24,042	965	52,748	6,019	747	
Dec.	69,247	7,681	71,992	176	6,013	30,467	652	22,090	36,042	3,007	51,214	6,019	603	
1953—Jan.	63,626	8,200	88,846	726	6,015	38,466	773	22,090	36,042	4,311	54,066	6,019	809	
Feb.	61,908	13,635	95,161	647	6,015	48,830	844	22,090	36,042	5,187	53,163	6,019	733	
Mar.	62,469	17,071	69,167	488	6,015	53,283	600	22,090	10,042	8,067	50,007	6,019	825	
Apr. 1	63,011	9,381	72,026	908	6,015	51,635	563	21,840	10,042	5,953	50,099	6,019	1,022	
8	63,244	10,564	73,904	391	6,016	52,453	555	21,840	10,042	5,149	51,523	6,019	2,387	
15	63,407	6,509	78,006	873	6,016	54,427	849	21,840	10,042	3,115	53,573	6,019	831	
22	63,042	6,403	86,298	681	6,016	56,748	669	21,840	13,042	8,034	51,102	6,019	815	
29	62,886	5,630	89,382	567	6,017	58,719	727	21,840	13,042	7,717	50,036	6,019	2,239	

* On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.100 = £N.Z.124.

† Prior to 1950 the figures for "Other Exchange" are included under "Other Assets".

† Included in these figures are the weekly averages of amounts in Wool Retention Accounts: 1950, £117,000; 1951, £4,204,000; 1952, £6,000. For details of the Wool Retention scheme see text page 19 of February, 1951, issue.

II—TRADING BANKS

Liabilities and Assets

(£N.Z. thousands)

Average of Monthly Figures :	LIABILITIES (in New Zealand)				ASSETS						Unexercised Overdraft Authorities
	Demand	Time		Total Demand and Time Liabilities	Bankers' Cash*	Net O'seas Assets	Securities		Advances and Discounts		
		Wool Retention Accounts†	Other				Govt.	Other			
1946	117,071	—	34,414	151,485	67,794	12,541	26,168	2,293	58,342	45,041	
1947	128,115	—	37,870	165,984	66,041	13,295	20,913	2,124	76,247	46,669	
1948*	138,211	—	40,403	178,614	68,814	13,464	16,953	1,942	86,470	50,650	
1949	150,699	—	39,016	189,715	86,120	14,526	12,856	1,813	81,981	57,686	
1950	167,526	—	39,787	207,313	86,674	17,362	11,730	1,677	94,065	64,178	
1951	196,663	19,589	39,815	256,068	83,278	27,276	11,716	1,527	133,079	72,230	
1952	187,478	28,612	39,373	255,463	63,730	16,985	11,701	1,335	166,560	69,888	
Last Wednesday in Month:											
1952—Mar.	189,901	30,207	47,730	267,838	38,465	22,101	11,714	1,405	187,259	64,192	
Apr.	192,133	29,446	39,091	260,670	46,018	17,796	11,714	1,389	186,623	63,755	
May	193,481	29,062	39,013	261,557	53,922	18,213	11,714	1,379	179,862	69,937	
June	192,186	28,672	38,573	259,430	56,753	19,526	11,714	1,376	173,056	68,825	
July	181,615	28,093	37,904	247,612	55,860	16,622	11,687	1,285	171,224	67,700	
Aug.	177,440	27,757	38,629	243,825	60,678	13,408	11,687	1,272	164,173	70,648	
Sept.	179,978	27,422	38,961	246,360	66,385	12,350	11,687	1,269	158,922	70,246	
Oct.	180,876	26,995	38,417	246,289	73,651	11,390	11,687	1,266	159,368	71,702	
Nov.	183,448	26,724	38,067	248,239	80,474	11,717	11,687	1,255	150,883	76,859	
Dec.	186,314	26,460	37,309	250,083	86,297	18,137	11,687	1,251	141,916	80,609	
1953—Jan.	195,167	25,607	37,058	257,833	101,110	18,333	11,687	1,190	135,289	87,325	
Feb.	208,004	24,705	36,304	269,013	106,812	23,012	11,687	1,177	129,818	89,476	
Mar.	200,271	24,061	35,951	260,284	81,376	25,742	11,687	1,175	140,449	84,582	

* Bankers' Cash includes Notes and Coin, and Balances at Reserve Bank. † See text pages 19 and 67 of February and May, 1951, issues respectively.

* On and after 20th August, 1948, overseas assets and liabilities converted to N.Z. currency at rate, £Stg.100 = £N.Z.100; previously £Stg.100 = £N.Z.124.

III—FOREIGN EXCHANGE

1. Net Overseas Assets*

(£N.Z. thousands)

Last Wednesday in Month:	1950	1951			1952			1953		
	Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total	Reserve Bank	Trading Banks	Total
Jan.	63,360	58,413	32,482	90,895	58,490	19,868	78,359	61,492	18,333	79,825
Feb.	67,304	65,198	34,053	99,251	56,670	22,694	79,364	71,809	23,012	94,821
Mar.	74,175	68,254	31,504	99,758	56,662	22,101	78,764	76,192	25,742	101,934
Apr.	82,285	72,410	30,000	102,410	57,035	17,796	74,831			
May	89,241	80,410	34,018	114,428	58,898	18,213	77,111			
June	87,016	83,824	39,492	123,316	55,062	19,526	74,588			
July	83,509	83,454	40,059	123,513	52,886	16,622	69,507			
Aug.	78,402	94,150	23,712	117,862	55,391	13,408	68,799			
Sept.	71,009	91,914	18,802	110,716	52,456	12,350	64,806			
Oct.	68,843	83,855	14,108	97,963	55,512	11,390	66,902			
Nov.	63,541	72,947	13,401	86,347	55,281	11,717	66,998			
Dec.	72,984†	66,123†	15,680†	81,803†	53,426	18,137	71,563			

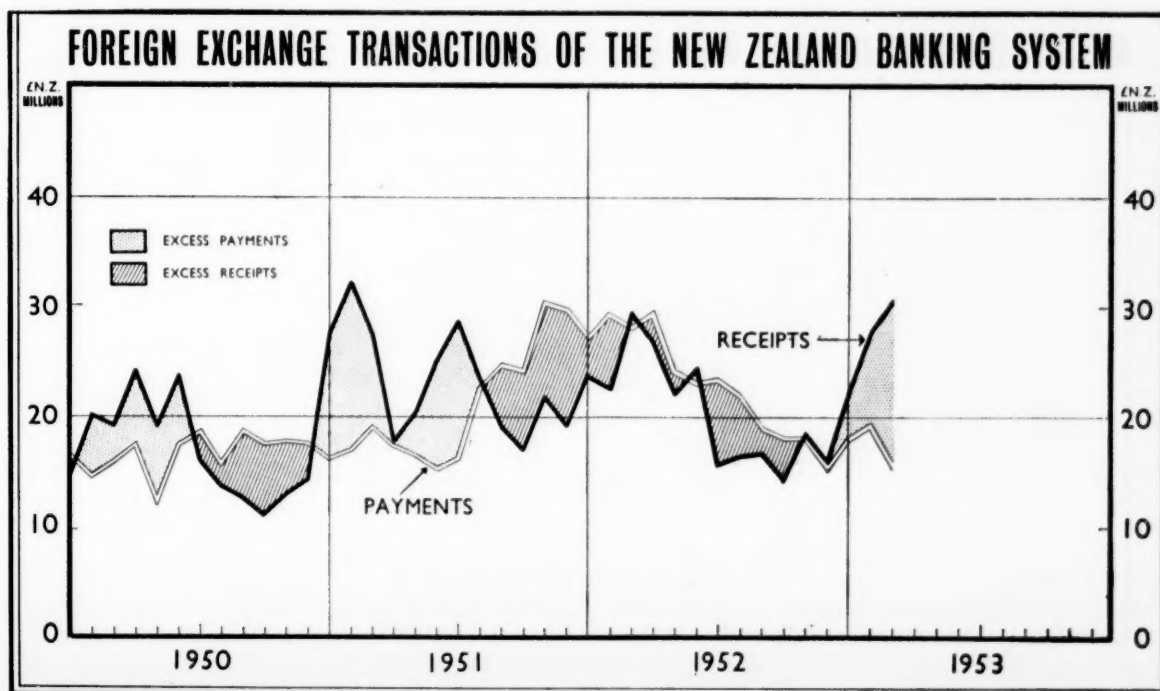
* Foreign exchange and overseas investments held by the New Zealand banking system in respect of New Zealand business, less overseas liabilities. The Reserve Bank figures include not only sterling exchange as formerly, but also other foreign exchange holdings and overseas investments. † Last Wednesday before Christmas.

(£N.Z. thousands)

2. Foreign Exchange Transactions of New Zealand Banking System

Calendar Month	1952					1953				
	RECEIPTS		PAYMENTS		Balance of Transactions	RECEIPTS		PAYMENTS		Balance of Transactions
	Exports	Other	Imports*	Other		Exports	Other	Imports*	Other	
Jan.	20,368	2,272	27,296	2,071	— 6,728	25,896	2,064	16,769	2,536	+ 6,654
Feb.	24,674	4,589	25,276	2,949	+ 1,038	29,113	1,549	12,901	2,768	+ 14,992
Mar.	24,381	2,564	24,777	4,699	— 2,531	25,583	2,499	16,508	6,897	+ 4,676
April	18,967	3,208	20,704	3,434	— 1,963					
May	21,818	2,594	20,003	2,973	+ 1,436					
June	13,593	1,983	20,200	3,149	— 7,773					
July	13,927	2,438	19,033	2,984	— 5,652					
Aug.	14,761	1,905	16,257	2,982	— 2,573					
Sept.	12,177	2,245	15,168	3,081	— 3,828					
Oct.	16,752	1,693	15,091	2,984	+ 370					
Nov.	13,904	1,986	13,261	2,209	+ 421					
Dec.	20,587	1,976	13,196	5,026	+ 4,340					
Total	215,909	29,452	230,262	38,541	— 23,441					

* Includes estimated payments for Government imports.



IV—CHANGES IN NOTE CIRCULATION

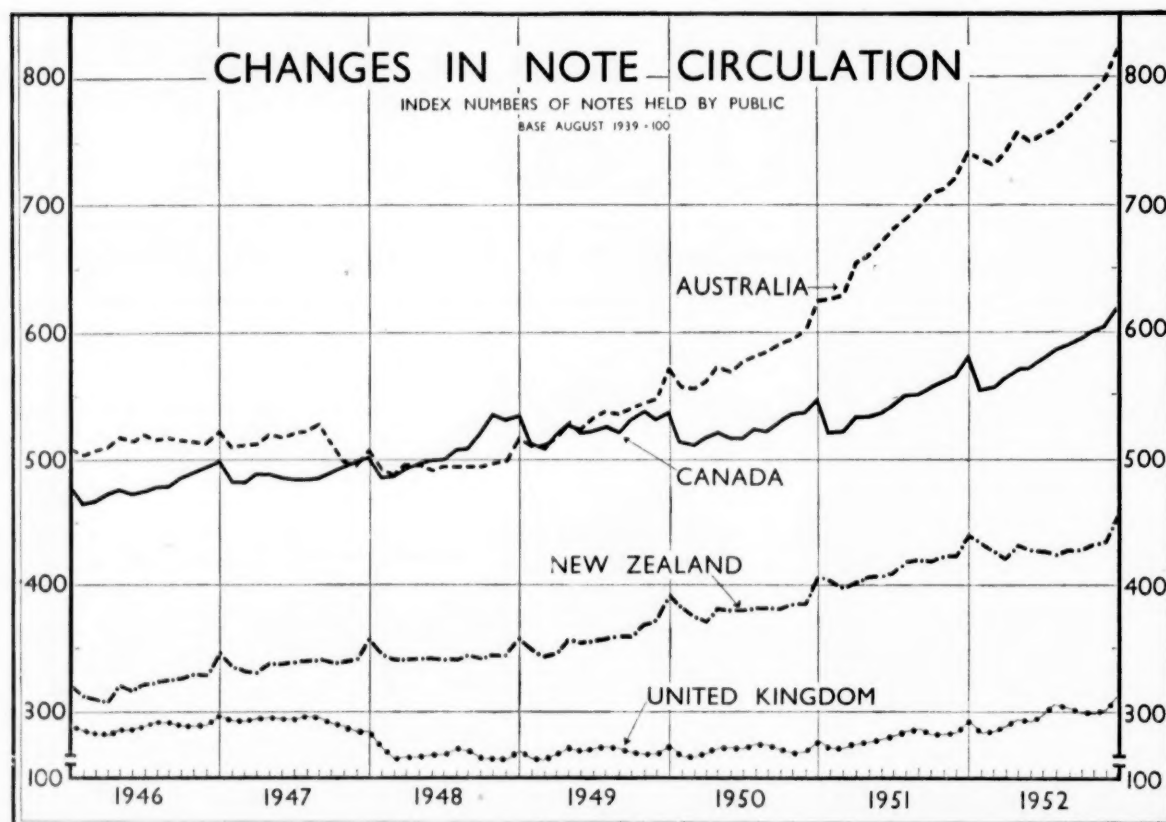
Index Numbers of Notes Held by the Public

Base: August, 1939=100.

Monthly:	1950				1951				1952			
	United Kingdom*	Canada†	Australia	New Zealand	United Kingdom*	Canada†	Australia	New Zealand	United Kingdom*	Canada†	Australia	New Zealand
Jan.	265	514	556	382	271	521	626	403	284	554	737	434
Feb.	264	512	555	375	271	523	630	397	285	556	733	424
Mar.	267	517	560	372	275	533	655	401	289	565	743	421
Apr.	271	521	573	382	276	534	660	406	294	571	757	432
May	271	517	569	380	278	536	671	407	293	572	751	427
June	271	517	577	380	281	543	682	409	298	579	756	426
July	275	524	581	382	285	550	690	419	306	586	760	424
Aug.	274	523	585	382	286	551	699	420	303	590	770	427
Sept.	270	529	591	381	282	557	709	419	299	595	780	427
Oct.	268	535	595	385	283	562	713	423	299	602	790	433
Nov.	269	537	601	385	284	567	722	423	301	606	798	434
Dec.	277	546	625	406	293	581	742	440	313	619	823	454

* Notes and coin excluding notes and coin held by Bank of England Reserve, London Clearing Banks and Scottish and N. Ireland Banks.

† Chartered Bank note circulation and Bank of Canada notes—average of daily figures.

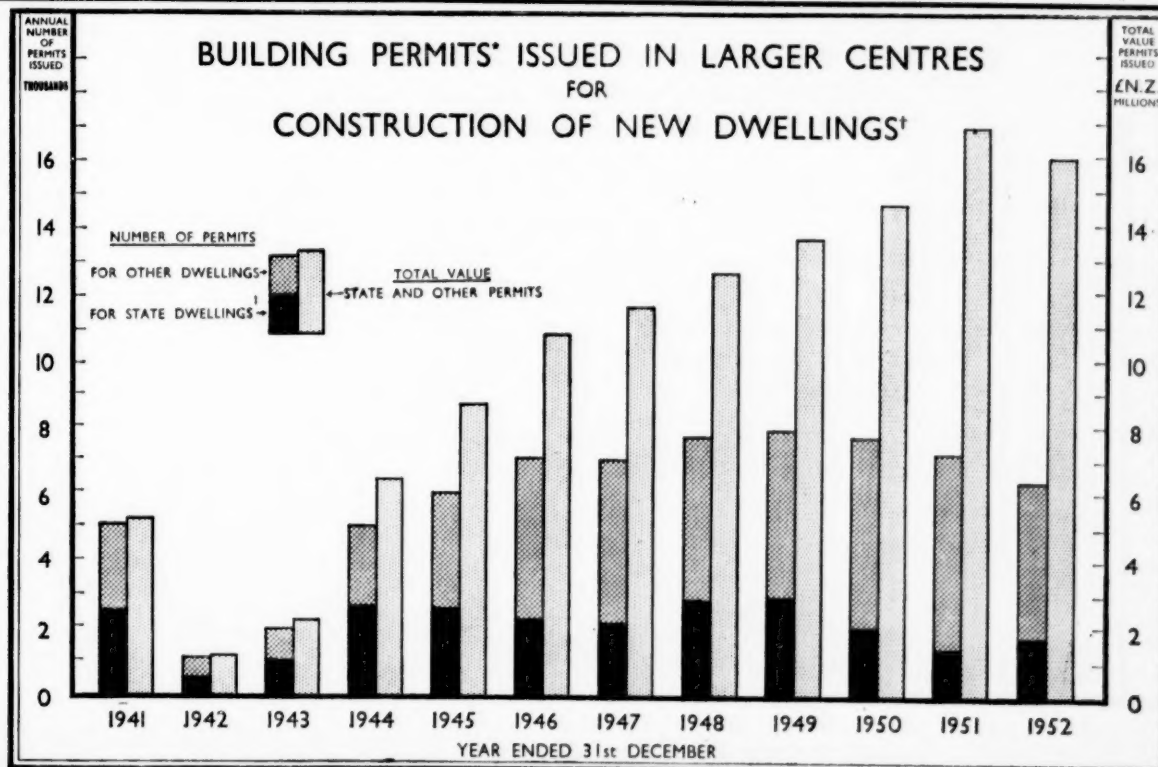


V-BUILDING PERMITS IN LARGER CENTRES*

Source: Census and Statistics Department

Source: Census and Statistics Department

Year Ended 31st December	New Buildings								Alterations and Additions	Total Permits
	Dwellings Only †				Other Buildings		Total			
	State Scheme‡	Others	Total		No.	Value (£ 000)	No.	Value (£ 000)	Value (£ 000)	Value (£ 000)
	No.	No.	No.	Value (£ 000)						
1939	3,301	3,384	6,685	6,570	384	2,188	7,069	8,758	1,563	10,321
1946	2,288	4,761	7,049	10,786	499	3,107	7,548	13,893	2,920	16,813
1947	2,222	4,808	7,030	11,562	396	1,952	7,426	13,514	2,575	16,089
1948	2,871	4,846	7,717	13,415	389	2,256	8,106	15,671	3,010	18,680
1949	2,944	4,974	7,918	14,461	630	2,138	8,548	16,599	4,772	21,371
1950	2,028	5,661	7,689	15,462	713	2,984	8,402	18,446	5,961	24,407
1951**	1,385	5,814	7,199	16,900	806	5,687	8,005	22,587	6,731	29,318
1952**	1,741	4,604	6,345	16,060	893	7,103	7,238	23,163	7,945	31,107
Monthly§										
1952—Feb.	144	608	752	1,800	82	494	834	2,294	740	3,034
Mar.	183	664	847	1,949	136	1,255	983	3,204	1,444	4,648
Apr.	182	569	751	1,807	125	813	876	2,620	596	3,215
May	168	590	758	1,809	109	636	867	2,445	723	3,167
June	163	535	698	1,690	110	501	808	2,191	640	2,831
July	218	677	895	2,191	123	647	1,018	2,838	896	3,735
Aug.	183	605	788	1,900	111	628	899	2,528	805	3,332
Sept.	221	728	949	2,206	131	452	1,080	2,658	756	3,415
Oct.	244	674	918	2,220	100	707	1,018	2,927	752	3,679
Nov.	216	624	840	2,036	105	1,026	945	3,062	623	3,685
Dec.	131	660	791	1,846	78	506	869	2,352	620	2,972
1953—Jan.	277	441	718	1,842	65	337	783	2,179	488	2,667
Feb.	259	592	851	2,170	116	475	967	2,645	742	3,387



* Includes particulars of new buildings and alterations commenced by State Departments although permits may not actually be issued. † Includes flats, each being counted as a separate dwelling.

** Figures are comparable with earlier years as the additional local authorities (from which returns have been received since 1st April, 1951) are omitted.

‡ Dwellings commenced by the Housing Construction Branch of the Public Works Department, including houses for State Departments. In addition, some dwellings have been constructed by this Branch in districts not covered by these statistics.

§ Figures not comparable with year ended 31st December figures. From April, 1951, figures from additional local authorities included in statistics.

VI—CONTRACT PRICES FOR EXPORTS
United Kingdom Bulk-Purchase Contract Prices
1. Meat. (Major Classes)

Source: New Zealand Meat Producers Board

DESCRIPTION		SEASON					
		1939-40	1948-49	1949-50	1950-51	1951-52	1952-53
Lambs—	(Carcase weight, lbs.)	Pence (sterling) per lb.—f.o.b. N.Z. port					
Prime Down Cross	23/36	6.3750	10.8375	11.6503	12.4003	14.3866	16.25
	37/42	6.3125	10.7312	11.5361	12.2861	14.1986	16.06
Prime Canterbury	23/36	6.3125	10.7312	11.5361	12.2861	14.2002	16.06
	37/42	6.1875	10.5187	11.3076	12.0577	13.8888	15.76
Prime Crossbred	23/36	6.1875	10.5187	11.3076	12.0577	13.9362	15.81
	37/42	6.1250	10.4125	11.1934	11.9434	13.7572	15.63
Seconds	23/36	5.8750	9.9875	10.7366	10.7366	12.4341	15.03
Wethers—							
Prime	49/56	3.8750	6.5875	7.0816	7.0816	7.9775	9.57
	57/64	3.6875	6.2687	6.7389	6.7389	7.5914	9.11
	65/72	3.5000	5.9500	6.3962	6.3962	7.2053	8.10
Seconds	56 and under	3.6875	6.2687	6.7389	6.7389	7.3039	8.76
Ewes	64 and under	2.7500	4.6750	5.0256	5.0256	5.4906	5.49
Quarter Beef (bone in)—							
Ox and Heifer G.A.Q. Sides	All weights	3.5050	5.9585	6.4054	7.2378*	10.9600	12.61
Cow G.A.Q. Sides	All weights	2.8600	4.8620	5.2266	5.2266	7.2404	8.33
Porkers (unsinged)—							
Full carcases 1st quality		6.0625	10.6701	11.4702	14.4702	19.2000	23.57
Sides 1st quality		6.3125	11.1100	11.9432	14.9432	20.8125	29.95
Baconers (singed)—							
Full carcases 1st quality		6.1250	10.7800	11.5885	14.5885	17.2672	18.19
Sides 1st quality		6.8125	11.9900	12.8892	15.8892	20.2906	20.94

* An increase of 2.8045d. was granted from 23 April, 1951.

2. Tallow. (Major Classes)

Sources: New Zealand Meat Producers Board and New Zealand Year Book

GRADE	SEASON					
	1939-40	1948-49	1949-50	1950-51	1951-52	
	£ (sterling) per ton—c. & f. to U.K. port					
First Mutton	26 10 0	117 0 0	85 10 0	83 10 0	111 5 0	Contract not renewed after 30th September, 1952.
Good colour mixed	23 10 0	110 0 0	80 10 0	78 10 0	104 15 0	
Good gut	21 0 0	103 10 0	75 10 0	73 10 0	98 0 0	

3. Dairy Produce

Source: New Zealand Dairy Products Marketing Commission

PRODUCT	SEASON					
	1939-40	1948-49	1949-50	1950-51	1951-52	1952-53
Creamery Butter—						
Finest Grade 93 points and over	112/6	235/-	252/6	271/6	292/-	314/-
First grade 90-92½ points	111/3	233/9	251/3	270/3	290/9	312/9
Cheese—						
Finest and First Grade 91 points and over	64/3	133/-	141/6	151/-	161/6	176/-
Casein—						
Lactic	—	100 0 0	105 0 0	105 0 0
Rennet	—	100 0 0	100 0 0	100 0 0
Processed Milk—						
Skim Milk Powder:						
Spray Dried	—	77 10 0	77 10 0	77 10 0	84 10 0	91 0 0
Roller Dried	—	—	65 0 0	65 0 0	70 0 0	75 10 0
Buttermilk Powder:						
Roller Dried	—	60 0 0	60 0 0	60 0 0	60 0 0	65 0 0
Evaporated Milk	—	70 0 0	70 0 0	70 0 0	85 3 4	91 0 0

VII—NEW ZEALAND OVERSEAS TRADE

2. Exports of New Zealand Produce*

Source: Census and Statistics Department

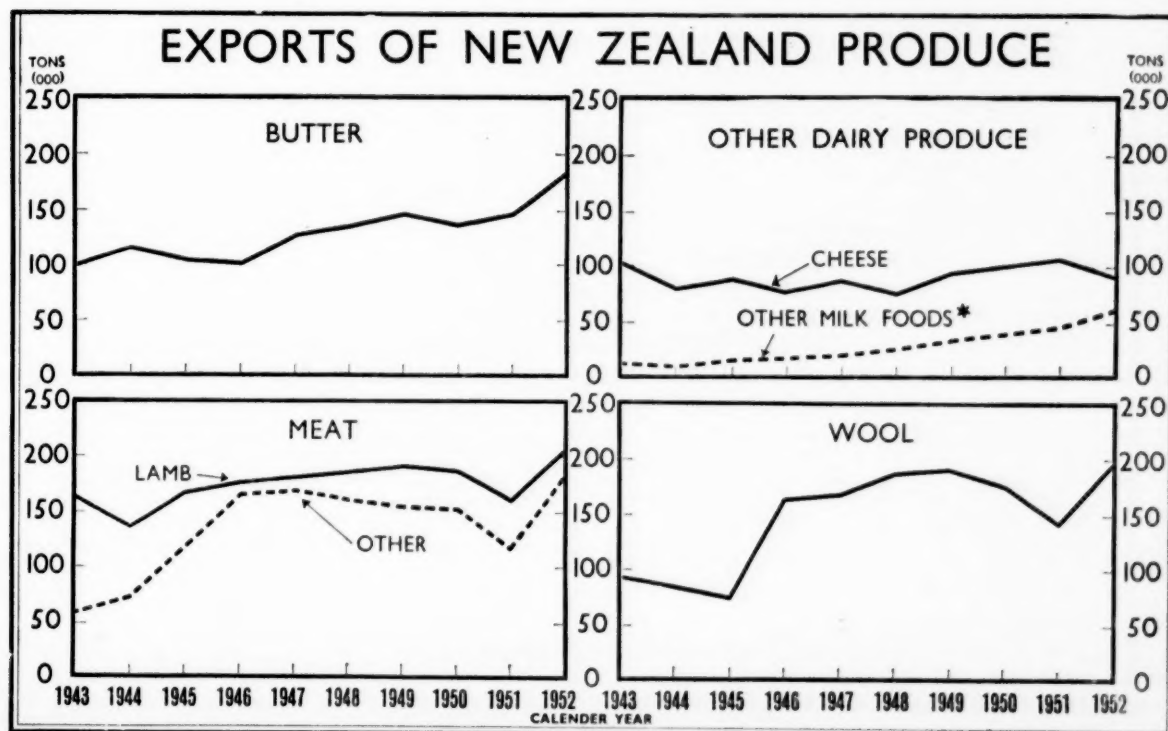
Calendar Year	Butter		Cheese		All Dairy Produce †	Mutton		Lamb		Beef		All Meat †
	Tons 000	£NZ000	Tons 000	£NZ000	£NZ000	Tons 000	£NZ000	Tons 000	£NZ000	Tons 000	£NZ000	£NZ000
1939	122.2	16,111	83.9	5,870	22,452	61.8	1,968	138.9	9,152	49.9	1,761	16,423
1945	103.5	19,278	87.4	9,519	29,952	73.2	2,792	166.1	12,335	21.5	1,122	19,437
1946	101.8	19,841	75.7	8,448	29,617	78.3	3,413	173.4	14,548	55.0	2,977	26,325
1947	127.6	28,836	87.0	11,621	42,535	76.3	4,088	179.2	18,470	61.2	3,931	32,323
1948	135.6	33,758	75.6	11,197	47,839	66.1	3,651	183.2	18,267	59.6	3,578	32,156
1949	147.6	35,450	93.9	12,674	51,861	66.9	3,535	190.0	17,947	51.1	2,922	30,439
1950	137.4	34,856	99.9	14,211	53,685	68.2	4,242	185.7	18,466	50.6	2,990	32,169
1951	147.1	41,362	106.6	16,650	63,329	49.2	2,575	159.5	17,238	36.3	2,430	31,303
1952	183.5	55,929	91.3	15,769	80,108	91.6	5,132	203.3	25,294	52.2	4,779	50,445

Calendar Year	Wool		Sheep-skins		Other Hides and Skins †	Tallow		Grass and Clover Seeds		Gold		Total Exports *
	Tons 000	£NZ000	000	£NZ000	£NZ000	Tons 000	£NZ000	Tons 000	£NZ000	Ounces	£NZ000	£NZ000
1939	123.8	11,666	15,157	1,460	1,080	29.1	457	2.3	285	176,370	1,629	57,448
1945	74.2	12,661	15,229	2,402	2,606	30.8	844	8.3	1,795	121,084	1,263	78,516
1946	163.1	26,593	15,478	2,491	3,253	24.7	1,063	7.5	1,942	111,531	1,185	100,307
1947	167.5	31,933	17,040	6,014	4,369	25.7	2,354	7.4	1,663	98,557	1,035	127,713
1948	188.0	44,496	17,158	5,658	3,815	20.1	2,154	8.7	1,701	58,400	609	146,469
1949	191.8	46,553	17,415	3,856	2,824	25.4	2,599	8.1	1,523	63,854	608	146,112
1950	175.9	74,653	17,461	6,736	3,260	29.6	3,217	8.2	2,084	110,486	1,311	182,342
1951	141.5	128,176	14,705	9,033	3,828	29.7	2,553	4.4	1,246	68,929	844	246,394
1952	195.6	81,998	20,092	6,417	3,533	48.6	4,717	8.2	2,107	66,616	798	238,659

* Excludes small quantities of re-exports.

† Includes small classes not listed.

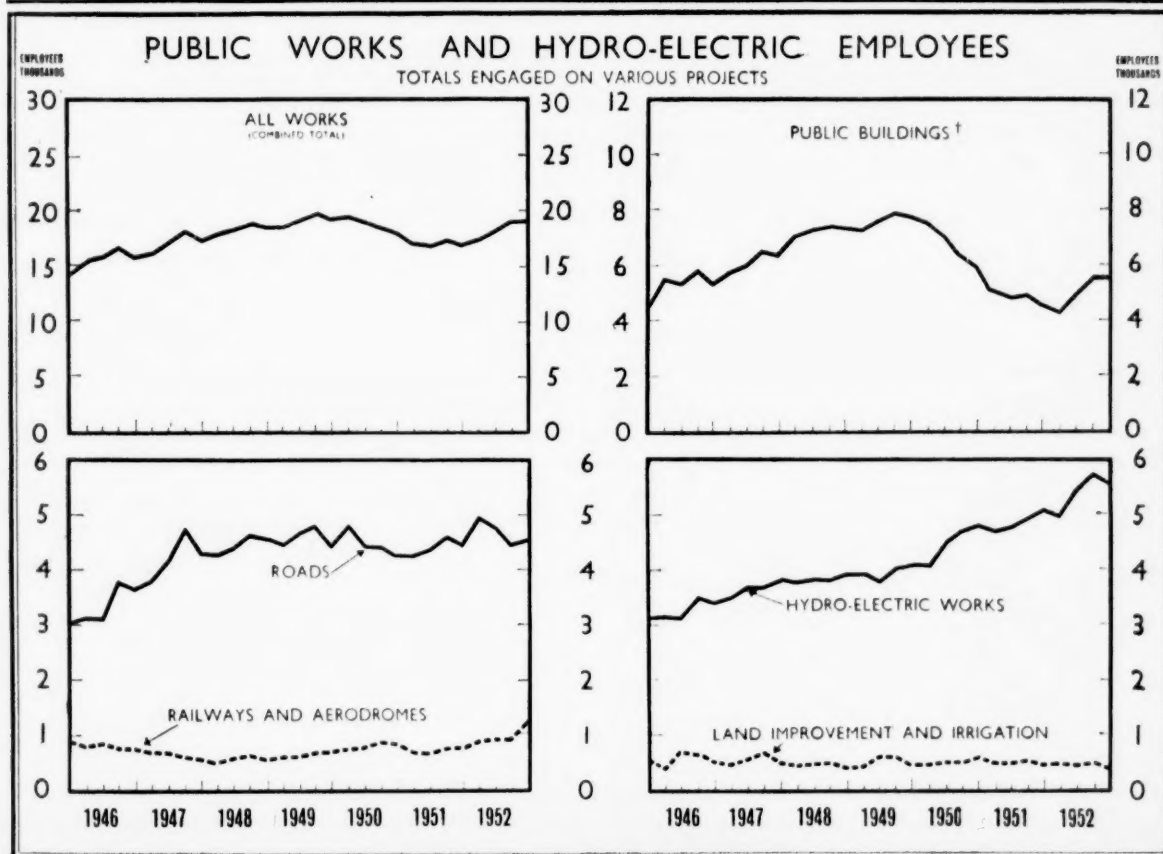
‡ Cattle, calf, rabbit and other, n.e.i.



VIII—PUBLIC WORKS AND HYDRO-ELECTRIC EMPLOYEES

Source: Census and Statistics Department

Average for Calendar Year	Roads, including Main Highways	Aerodromes	Railways	Hydro- Electric Works	Public Buildings†	Land Improvement, Drainage and Afforestation	Irrigation	Other Works	Total
1942	2,847	1,918	502	1,323	2,055	170	377	5,491	14,683
1943	2,614	870	466	1,768	1,984	127	190	6,485	14,504
1944	2,816	324	475	2,754	4,052	133	236	3,493	14,283
1945	2,880	250	454	2,919	4,540	491		2,564	14,098
1946	3,380	399	396	3,249	5,427	555		2,273	15,679
1947	4,205	382	249	3,662	6,092	296	206	2,037	17,128
1948	4,446	417	134	3,823	7,079	282	153	1,885	18,219
1949	4,515	417	213	3,895	7,609	370	121	1,865	19,005
1950	4,472	436	333	4,410	6,902	336	148	1,849	18,886
1951	4,361	377	336	4,818	4,961	354	133	1,766	17,106
1952	4,659	386	551	5,326	4,968	338	102	1,772	18,102
Quarterly:									
1950—Mar.	4,779	410	301	4,053	7,491	320	120	1,991	19,465
June	4,395	422	342	4,486	7,003	352	147	1,836	18,983
Sept.	4,395	500	351	4,678	6,309	350	148	1,768	18,499
Dec.	4,215	420	398	4,787	5,831	322	251	1,764	17,988
1951—Mar.	4,223	368	295	4,681	5,058	340	125	1,777	16,867
June	4,316	361	285	4,763	4,790	356	110	1,771	16,752
Sept.	4,576	380	364	4,919	4,844	385	125	1,795	17,388
Dec.	4,441	378	398	5,033	4,476	349	93	1,680	16,848
1952—Mar.	4,940	358	529	4,941	4,286	366	86	1,802	17,308
June	4,754	402	517	5,396	4,984	330	109	1,679	18,171
Sept.	4,458	401	536	5,696	5,575	351	118	1,834	18,969
Dec.	4,526	386	851	5,508	5,575	264	98	1,866	19,074



† Including employees on Housing Division work.